



Feed the Future Country Fact Sheet

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A New Seed Company on the Rise in Kenya



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Kenyan farmers learn about improved seed varieties.

Can a local private seed company create and market the technical innovations needed to boost the productivity of Kenya's small-scale maize producers and improve their living standards? It's a tall order, but the Western Seed Company in Kitale, Kenya thinks it has what it takes. The young firm is so promising it has attracted social impact venture capital investment from the Alliance for a Green Revolution in Africa and the New York-based Acumen Fund to expand into new districts.

Now, a study by the Feed the Future Innovation Lab for Assets and Market Access, led by the University of California, Davis, is evaluating this newcomer's impact on the incomes and well-being of Kenya's small-scale farming community. As part of Feed the Future, the Innovation Lab works to understand the impact of emerging local companies because they have the potential to deliver innovations that are different from those offered by more traditional actors in the seed market, e.g. governments and multinational corporations. Both Western Seed Company and its investors have committed to a rigorous evaluation of the company's expansion in order to gauge this model's effectiveness in spurring technological innovations and reducing poverty.

Despite relatively high use of hybrid seeds (more productive varieties that come from cross-pollinated plants) in Kenya, the rate of innovation in the country's seed market has been modest: the main seeds used across Kenya have not been improved in 15-20 years. In the regions where the Western Seed Company is expanding, smallholder farmers often lack market access, information, experience and, perhaps, trust in the improved seeds the company sells.

To overcome these constraints and incentivize smallholder farmers to adopt improved agricultural technologies, the Western Seed Company is distributing free trial seed packets. Early results from the Innovation Lab's research indicate that nearly all randomly selected seed packet recipients had carefully used the seed packets and that seed packet recipients subsequently reported a much higher willingness than the comparison group to pay for hybrid seeds as a result of the improved yields they saw on their own plots. This ongoing research will measure in future years whether the initial learning based on the seed packet subsidy leads to sustained use of the technology and has long-term economic impacts.

Ultimately, good data on the effectiveness of interventions like short-term subsidies for smallholder farmers is an important factor in catalyzing investment in developing countries' agriculture sectors. Those who have invested heavily in African seed systems rely on studies like this one to shape their expectations about long-term prospects for growth. By supporting pioneering research on the impact of firms like the Western Seed company, Feed the Future is helping lay the groundwork for responsible agricultural investment in Kenya and throughout Sub-Saharan Africa.